ABERDEEN ASSET MANAGEMENT PLC
Interim Results for six months to 31 March 2014

Highlights

- Revenue £503.5 million (-2%)
- Underlying profit before tax £217.0 million (-3%)
- Underlying earnings per share 14.3p (-4%)
- Dividend per share 6.75p (+12.5%)
- Operating margin 43.0% (2013: 43.8%)
- AuM £324.5 billion

FINANCIAL HIGHLIGHTS

	March 2014	**March 2013**
Revenue	£503.5m	£516.0m
Pre-tax profit		
Before amortisation of intangibles & acquisition costs	£217.0m	£222.8m
After amortisation of intangibles & acquisition costs	£168.7m	£188.2m
Diluted earnings per share		
Before amortisation of intangibles & acquisition costs	14.32p	14.88p
After amortisation of intangibles & acquisition costs	10.67p	12.43p
Dividend per share	6.75p	6.00p
Core operating cashflow	£221.6m	£221.2m
Gross new business	£14.3bn	£24.6bn
Net new business	-£8.8bn	+£4.4bn
Assets under management at period end	£324.5bn	£212.3bn

Martin Gilbert, Chief Executive of Aberdeen Asset Management, commented:

"Aberdeen has delivered a resilient set of numbers in this half year, given the difficult backdrop for emerging markets. Our disciplined investment approach, long-term investment track record and tradition of client service have enabled us to limit equity outflows whilst we have continued to win mandates in other asset classes, such as fixed income and property.

"There are signs of a pick-up in sentiment towards emerging economies, as investors are again identifying opportunities and recognising the fundamental strengths of these markets. Equally encouraging is the healthy improvement in the relative performance of our key equity products so far this year.

"At the end of March we were delighted to complete our acquisition of SWIP and the process of integrating the business is proceeding as planned. The deal adds scale and strengthens further our broad range of investment capabilities and confirms Aberdeen's position as one of the world's leading asset management groups."

Management will host a presentation for analysts and institutions today at 10:00 (UK) to be held at the offices of Aberdeen Asset Management, Bow Bells House, 1 Bread Street, London EC4M 9HH. The event will also be available to view via a live webconference. To register please use the following weblink:

http://www.media-server.com/m/p/puq2e24j

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Chairman's statement

The first half of this financial year was characterised by exacting conditions in emerging markets, with weaker investment sentiment impacting our equity new business flows. Nevertheless, we have enjoyed further encouraging demand for certain of our fixed income and property strategies and have continued to make progress in developing our diversified pipeline of new business which will be added to assets under management ("AuM") in the coming months.

We completed the major element of the acquisition of Scottish Widows Investment Partnership ("SWIP") on 31 March 2014, and the purchase of the SWIP infrastructure business completed on 1 May 2014. Considerable corporate energy, in addition to the specific transition-related costs, was invested during the period in bringing this acquisition to a successful conclusion, while the benefits to profitability will not begin to accrue until the beginning of the second half of the financial year.

This transaction adds new and complementary strategies to our product range, and enhances the Group's position as a leading global asset manager. We aim to build on and deepen the strategic relationship with Lloyds Banking Group as well as marketing our additional capabilities to our worldwide client base.

Total AuM at 31 March 2014 were £324.5 billion; excluding the £134.1 billion added by SWIP, Aberdeen's AuM fell 5% to £190.4 billion (30 September 2013: £200.4 billion).

Financials

Profit before taxation for the period was £168.7 million (2013: £188.2 million). Underlying profit, stated before amortisation of intangible assets and exceptional costs in respect of the SWIP acquisition, was £217.0 million, compared to £222.8 million in 2013. This represents underlying earnings per share, on a diluted basis, of 14.32p (2013:14.88p).

The Board has decided to pay an interim dividend of 6.75p per share, an increase of 12.5% on the interim dividend announced last year which will be paid on 19 June 2014 to qualifying shareholders on the register at 16 May 2014. This increase is in line with the Board's objective to pay a growing dividend each year.

Net revenue for the period decreased by 2% to £503.5 million (2013: £516.0 million). Recurring fee income was little changed at £491.1 million (2013: £492.5 million), while performance fees contributed £12.4 million (2013: £23.5 million). The blended average management fee rate remained steady at 50.0 basis points (year to September 2013: 50.0 basis points).

Operating costs of £286.9 million fell by 1% compared to the equivalent period last year, and were 4% lower than for the second half of our last financial year, and we have been proactive in identifying and implementing further cost savings over and above the synergies expected from the SWIP transaction. The Group's operating margin for the period was 43.0% (2013: 43.8%).

We generated £221.6 million of core operating cashflow (2013: £221.2 million), representing a conversion rate of underlying operating profit of 102% (2013: 98%), and ended the period with a cash position of £410.4 million.

As we stated when we announced the transaction, the addition of SWIP will reinforce Aberdeen's progressive dividend policy and, while we will incur some one-off integration costs over the next year, it will enhance our ability to return surplus capital to shareholders over time.

Review of operations

Assets under management increased to £324.5 billion, of which the SWIP transaction added £134.1 billion. The principal changes in total AuM are shown in the following table, and a fuller analysis by asset class is included at the end of the interim results statement.

	£bn
AuM at 30 September 2013	200.4
Net new business flows for the period	(8.8)
Market movements & performance	3.3
Exchange movements	(4.5)
	190.4
SWIP acquisition	134.1
AuM at 31 March 2014	324.5

Gross new business inflows for the period totalled £14.3 billion (2013: £24.6 billion) and outflows amounted to £23.1 billion (2013: £20.2 billion), resulting in a net outflow for the six month period of £8.8 billion (2013: net inflow £4.4 billion).

Inflows were subdued for the first five months although we then saw some improvement during March as we began to convert the pipeline of new mandates awarded by a range of clients. Against the backdrop of weak investor sentiment, we encountered net outflows from our main equity products, but we enjoyed healthy net inflows to our property, emerging market debt and high yield bond products.

Investment performance across our fixed income strategies is generally ahead of the relevant benchmarks for both short and longer term time periods and our property performance remains robust. Performance of our key equity products has been running behind benchmark on a one year basis, but we have continued to focus on our bottom up, fundamental style of investing for the longer term in good quality companies at attractive valuations, and we have seen healthy outperformance in March and April. It is inevitable that our style will lead to periods of shorter term underperformance, but we believe our longer term performance track record remains compelling and we do not plan to make any significant changes to our equity process.

Our distribution is focused on multiple business and distribution channels with teams operating on-the-ground in 26 countries and covering a further 34 remotely. We continue to see strong growth in North America, continental Europe and selective markets in Asia. Our focus is on providing our existing clients with a high level of service and to market our wider range of products outwith our well known strengths in Asia Pacific, emerging markets and global equities. As reflected in the flow figures, EMD, high yield and European property are areas which are attracting interest.

SWIP completion and integration

The major part of the SWIP transaction was completed on 31 March 2014, for purchase consideration comprising 108.5 million new ordinary shares, a further 17.3 million shares to be issued once Lloyds have received certain regulatory consents and a deferred top-up payment of £39.4 million which is payable on 31 March 2015. A further 5.9 million shares were issued to Lloyds on completion of the acquisition of the SWIP infrastructure business.

We have an excellent track record of integrating businesses with a clear global operating model. The respective teams of Aberdeen and SWIP have worked together over the last few months to create and refine the detailed integration plans across all areas of the business, and the implementation process has begun, and I am pleased to welcome our new colleagues to the Group.

Aberdeen's traditional approach has been to build relationships with key clients at all levels. Together with the existing SWIP teams we have already started to develop further relationships with Lloyds Banking Group and its Wealth, Insurance and Retail businesses.

As we highlighted in our announcement of the transaction in November, SWIP brings some further diversification to the enlarged Group's product range, and our Aberdeen solutions business will be enhanced by the integration of SWIP's quantitative investments, investment solutions and alternatives capabilities. We have also decided to include money market assets as a component of the enlarged Group's fixed income business.

This re-alignment is consistent with our strategy of growing our non-equity businesses over time. Our enhanced solutions capability, encompassing new quantitative investment strategies, stronger fixed income team and broader alternatives offering, mean we have a comprehensive suite of products to meet the needs of investors around the world.

Outlook

Whilst the six month period under review has been demanding, the completion of the SWIP transaction creates an exceptional platform to ensure the continuity of high quality client service which will enable further organic growth.

Towards the end of the period, there were indications of some pick-up in investor sentiment towards emerging markets, although we anticipate that some uncertainty could remain. More recently, an encouraging improvement in investment performance should improve the outlook for our equities strategies and we are confident that the added scale and breadth of the enlarged Group's capabilities, combined with our long-term investment focus, provide a solid base from which to pursue further profitable growth for our investors.

Roger Cornick
Chairman

Condensed consolidated income statement
For the six months to 31 March 2014

		6 months to 31 March 2014			6 months to 31 March 2013			Year to 30 September 2013		
	Notes	**Before amortisation and acquisition costs £m**	**Amortisation and acquisition costs £m**	**Total £m**	Before amortisation and acquisition costs £m	Amortisation and acquisition costs £m	Total £m	Before amortisation and acquisition costs £m	Amortisation and acquisition costs £m	Total £m
Gross revenue		**592.7**	**-**	**592.7**	628.6	-	628.6	1,314.8	-	1,314.8
Commissions payable		**(89.2)**	**-**	**(89.2)**	(112.6)	-	(112.6)	(236.3)	-	(236.3)
Net revenue	3	**503.5**	**-**	**503.5**	516.0	-	516.0	1,078.5	-	1,078.5
Operating costs		**(286.9)**	**-**	**(286.9)**	(289.9)	-	(289.9)	(589.3)	-	(589.3)
Amortisation of intangible assets		-	**(33.0)**	**(33.0)**	-	(34.6)	(34.6)	-	(73.2)	(73.2)
Acquisition costs	9	-	**(15.3)**	**(15.3)**	-	-	-	-	(19.2)	(19.2)
Operating expenses		**(286.9)**	**(48.3)**	**(335.2)**	(289.9)	(34.6)	(324.5)	(589.3)	(92.4)	(681.7)
Operating profit		**216.6**	**(48.3)**	**168.3**	226.1	(34.6)	191.5	489.2	(92.4)	396.8
Net finance revenue (costs)	5	**0.2**	**-**	**0.2**	(3.9)	-	(3.9)	(3.5)	-	(3.5)
Gains (losses) on investments		**0.2**	**-**	**0.2**	0.6	-	0.6	(3.0)	-	(3.0)
Profit before taxation		**217.0**	**(48.3)**	**168.7**	222.8	(34.6)	188.2	482.7	(92.4)	390.3
Tax expense	6	**(37.0)**	**5.2**	**(31.8)**	(40.1)	5.2	(34.9)	(79.1)	17.6	(61.5)
Profit for the period		**180.0**	**(43.1)**	**136.9**	182.7	(29.4)	153.3	403.6	(74.8)	328.8
Attributable to:										
Equity shareholders of the Company				**125.9**			145.7			307.7
Other equity holders				**8.1**			7.6			20.5
Non-controlling interests				**2.9**			-			0.6
				136.9			153.3			328.8
Earnings per share										
Basic	8			**10.98p**			12.81p			27.10p
Diluted	8			**10.67p**			12.43p			26.17p

Condensed consolidated statement of comprehensive income
For the six months to 31 March 2014

	6 mths to 31 March 2014 £m	6 mths to 31 March 2013 £m	Year to 30 September 2013 £m
Profit for the period	**136.9**	153.3	328.8
Items that will not be reclassified subsequently to profit or loss			
Net actuarial loss on defined benefit pension schemes	**-**	-	(9.6)
Tax on net actuarial loss on defined benefit pension schemes	**-**	-	2.1
	-	-	(7.5)
Items that may be reclassified subsequently to profit or loss			
Translation of foreign currency net investments	**(17.6)**	31.1	(11.3)
Available for sale assets:			
- (losses) gains during the period	**(0.6)**	0.2	-
- losses recycled from equity to the income statement	**-**	2.0	3.3
Tax on items that may be recycled to profit or loss	**-**	(0.8)	0.3
	(18.2)	32.5	(7.7)
Other comprehensive (expense) income, net of tax	**(18.2)**	32.5	(15.2)
Total comprehensive income for the period	**118.7**	185.8	313.6
Attributable to:			
Equity shareholders of the Company	**107.7**	178.2	291.6
Other equity holders	**8.1**	7.6	20.5
Non-controlling interests	**2.9**	-	1.5

Condensed consolidated balance sheet
31 March 2014

	Notes	**31 March 2014 £m**	31 March 2013 £m	30 September 2013 £m
Assets				
Non-current assets				
Intangible assets	10	**1,595.5**	973.3	1,029.1
Property, plant & equipment		**22.0**	19.0	19.7
Other investments	11	**56.0**	54.4	54.5
Deferred tax assets		**25.5**	16.1	23.4
Pension surplus	15	**9.7**	12.9	9.7
Trade and other receivables		**2.9**	3.9	2.8
Total non-current assets		**1,711.6**	1,079.6	1,139.2
Current assets				
Assets backing investment contract liabilities	12	**2,455.6**	2,660.7	2,516.6
Trade and other receivables		**418.2**	342.6	297.4
Other investments	11	**136.7**	118.6	107.8
Cash and cash equivalents		**410.4**	638.9	426.6
Total current assets		**3,420.9**	3,760.8	3,348.4
Total assets		**5,132.5**	4,840.4	4,487.6
Equity				
Called up share capital	13	**130.8**	119.8	119.9
Share premium account		**1,311.6**	898.2	898.5
Other reserves		**215.2**	235.3	165.8
Retained loss		**(128.1)**	(85.1)	(49.1)
Total equity attributable to shareholders of the parent		**1,529.5**	1,168.2	1,135.1
Non-controlling interest		**68.2**	12.8	47.3
7.9% Perpetual capital securities	14	**-**	198.1	-
7.0% Perpetual cumulative capital notes	14	**321.6**	321.9	321.6
Total equity		**1,919.3**	1,701.0	1,504.0
Liabilities				
Non-current liabilities				
Deferred consideration	9	**50.7**	-	-
Other liabilities		**6.3**	-	6.5
Pension deficit	15	**10.5**	26.7	14.1
Provisions		**5.4**	11.6	5.4
Deferred tax liabilities		**116.3**	32.4	45.0
Total non-current liabilities		**189.2**	70.7	71.0
Current liabilities				
Investment contract liabilities	12	**2,455.6**	2,660.7	2,516.6
Trade and other payables		**437.4**	353.0	315.4
Deferred consideration	9	**39.4**	-	-
Other liabilities		**29.4**	-	27.5
Current tax payable		**62.2**	55.0	53.1
Total current liabilities		**3,024.0**	3,068.7	2,912.6
Total liabilities		**3,213.2**	3,139.4	2,983.6
Total equity and liabilities		**5,132.5**	4,840.4	4,487.6

Condensed consolidated statement of changes in equity

For the six months to 31 March 2014

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 1 October 2013	119.9	898.5	165.8	(49.1)	47.3	321.6	1,504.0
Profit for the period	-	-	-	125.9	2.9	8.1	136.9
Other comprehensive expense	-	-	(18.2)	-	-	-	(18.2)
Total comprehensive (expense) income	-	-	(18.2)	125.9	2.9	8.1	118.7
Arising on the issue of shares	10.9	413.1	-	-	-	-	424.0
Deferred shares on acquisition	-	-	67.6	-	-	-	67.6
Share-based payments	-	-	-	18.8	-	-	18.8
Purchase of own shares	-	-	-	(107.4)	-	-	(107.4)
Dividends paid to shareholders	-	-	-	(114.6)	-	(8.1)	(122.7)
Unwinding of put option	-	-	-	(1.7)	-	-	(1.7)
Non-controlling interest in consolidated funds	-	-	-	-	18.0	-	18.0
At 31 March 2014	**130.8**	**1,311.6**	**215.2**	**(128.1)**	**68.2**	**321.6**	**1,919.3**

For the six months to 31 March 2013

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 1 October 2012	115.1	815.9	209.0	(51.6)	14.0	198.1	1,300.5
Profit for the period	-	-	-	145.7	-	7.6	153.3
Other comprehensive income	-	-	32.5	-	-	-	32.5
Total comprehensive income	-	-	32.5	145.7	-	7.6	185.8
Conversion of convertible bonds	4.7	82.3	(6.2)	6.2	-	-	87.0
Issue of perpetual capital notes	-	-	-	-	-	321.9	321.9
Share-based payments	-	-	-	20.6	-	-	20.6
Purchase of own shares	-	-	-	(123.8)	-	-	(123.8)
Dividends paid to shareholders	-	-	-	(82.2)	-	(7.6)	(89.8)
Non-controlling interest in consolidated funds	-	-	-	-	(1.2)	-	(1.2)
At 31 March 2013	**119.8**	**898.2**	**235.3**	**(85.1)**	**12.8**	**520.0**	**1,701.0**

For the year to 30 September 2013

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non controlling interest £m	Perpetual capital securities £m	Total equity £m
Balance at 1 October 2012	115.1	815.9	209.0	(51.6)	14.0	198.1	1,300.5
Profit for the period	-	-	-	307.7	0.6	20.5	328.8
Other comprehensive (expense) income	-	-	(9.5)	(6.6)	0.9	-	(15.2)
Total comprehensive (expense) income	-	-	(9.5)	301.1	1.5	20.5	313.6
Arising on the issue of shares	0.1	0.3	-	-	-	-	0.4
Conversion of convertible bonds	4.7	82.3	(6.2)	6.2	-	-	87.0
Net issuance of perpetual capital notes	-	-	-	(66.0)	-	123.5	57.5
Share-based payments	-	-	-	50.9	-	-	50.9
Purchase of own shares	-	-	-	(138.9)	-	-	(138.9)
Dividends paid to shareholders	-	-	-	(150.8)	-	(20.5)	(171.3)
Acquisition of non-controlling interest	-	-	(27.5)	-	27.5	-	-
Non-controlling interest in consolidated funds	-	-	-	-	4.3	-	4.3
At 30 September 2013	119.9	898.5	165.8	(49.1)	47.3	321.6	1,504.0

Condensed consolidated cash flow statement

For the six months to 31 March 2014

	Notes	6 months to 31 March 2014 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Core cash generated from operating activities		**221.6**	221.2	529.1
Short-term timing differences on open end fund settlements		**(0.8)**	26.5	1.5
Cash generated from operations		**220.8**	247.7	530.6
Net interest received		**0.2**	0.9	1.3
Tax paid		**(29.6)**	(21.8)	(47.3)
Net cash generation from operations		**191.4**	226.8	484.6
Acquisition costs paid		**(5.6)**	-	(11.7)
Net cash generated from operating activities	4	**185.8**	226.8	472.9
Cash flows from investing activities				
Proceeds from sale of investments		**10.7**	9.3	37.6
Purchase of investments		**(22.7)**	(63.9)	(68.4)
Acquisition of businesses, net of cash acquired		**63.6**	-	(83.9)
Purchase of intangible assets		**(1.8)**	(4.1)	(8.2)
Purchase of property, plant & equipment		**(6.2)**	(2.6)	(7.0)
Net cash from (used in) investing activities		**43.6**	(61.3)	(129.9)
Cash flows from financing activities				
Issue of ordinary shares		**0.4**	-	0.5
Purchase of own shares		**(107.4)**	(123.8)	(138.9)
Issue of 7.0% perpetual cumulative capital notes		**-**	321.9	321.6
Repayment of 7.9% perpetual capital securities		**-**	-	(264.1)
Dividends paid and coupon payments		**(125.1)**	(92.1)	(177.3)
Net cash (used in) from financing activities		**(232.1)**	106.0	(258.2)
Net (decrease) increase in cash and cash equivalents		**(2.7)**	271.5	84.8
Cash and cash equivalents at beginning of period		**426.6**	347.9	347.9
Effect of exchange rate fluctuations on cash and cash equivalents		**(13.5)**	19.5	(6.1)
Cash and cash equivalents at end of period		**410.4**	638.9	426.6

Notes to the interim condensed consolidated financial statements
For the six months to 31 March 2014

1 General information
The interim results have not been audited but have been reviewed by the auditor. The condensed comparative figures for the financial year to 30 September 2013 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the Registrar of Companies. The auditor's report was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

2 Accounting policies
Basis of preparation
These condensed financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. The annual financial statements are prepared in accordance with IFRS as adopted by the EU.

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 September 2013.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim financial statements. Although these estimates and assumptions are based on management's best judgement at the date of the interim financial statements, actual results may differ from these estimates. The interim financial statements, which are in a condensed format, do not include all the information and disclosures required in the Group's annual report, and should be read in conjunction with the Group's annual report for the year ended 30 September 2013.

Going concern
The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, it is appropriate to adopt the going concern basis in preparing the condensed financial statements.

Segmental disclosures
The Group operates a single business segment of asset management for reporting and control purposes.

IFRS 8 *Operating Segments* requires disclosures to reflect the information which the Group Management Board (GMB), being the body that is the Group's chief operating decision maker, uses for evaluating performance and the allocation of resources. The Group is managed as a single asset management business, with multiple investment strategies of equities, fixed income and property, complemented by a solutions business which provides multi asset and fund of alternatives services. These strategies are managed across a range of products, distribution channels and geographic regions. Reporting provided to the GMB is on an aggregated basis.

3 Revenue

	6 months to 31 March 2014 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Revenue comprises:			
Gross management fees	**574.7**	598.8	1,250.4
Commissions payable to intermediaries	**(89.2)**	(112.6)	(236.3)
Net management fees	**485.5**	486.2	1,014.1
Performance fees	**12.4**	23.5	50.8
Transaction fees	**5.6**	6.3	13.6
Net revenue	**503.5**	516.0	1,078.5

4 Analysis of cash flows

	6 months to 31 March 2013 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Reconciliation of profit after tax to operating cash flow			
Profit after tax	**136.9**	153.3	328.8
Depreciation	**3.8**	3.3	6.6
Amortisation of intangible assets	**33.0**	34.6	73.2
Other losses	**1.0**	-	-
Loss on disposal of property, plant and equipment	**-**	-	3.5
(Gains) losses on investments	**(0.2)**	(0.6)	3.0
Equity settled share-based element of remuneration	**18.8**	20.6	45.9
Net finance (revenue) costs	**(0.2)**	3.9	3.5
Income tax expense	**31.8**	34.9	61.5
	224.9	250.0	526.0
Increase in provisions	**-**	5.7	0.8
Decrease (increase) in trade and other receivables	**26.5**	(39.4)	(37.1)
(Increase) decrease in open end fund receivables	**(17.1)**	(49.1)	12.5
(Decrease) increase in trade and other payables	**(35.3)**	4.9	27.7
Increase (decrease) in open end fund payables	**16.2**	75.6	(11.0)
Net cash inflow from operating activities	**215.2**	247.7	518.9
Net interest received	**0.2**	0.9	1.3
Income tax paid	**(29.6)**	(21.8)	(47.3)
Net cash generated from operating activities	**185.8**	226.8	472.9

5 Net finance revenue

	6 months to 31 March 2014 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Interest on overdrafts, revolving credit facilities and other interest bearing accounts	**1.6**	1.8	3.6
Interest on 3.5% convertible bonds	**-**	(0.9)	(0.9)
Release of discount on liability component on convertible bonds	**-**	4.0	4.0
Amortisation of issue costs on convertible bonds	**-**	1.1	1.1
Total finance costs	**1.6**	6.0	7.8
Finance revenue – interest income	**(1.8)**	(2.1)	(4.3)
Net finance (revenue) costs	**(0.2)**	3.9	3.5

6 Tax expense

	6 months to 31 March 2014 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Current tax expense	**36.8**	40.1	77.1
Adjustments in respect of previous periods	**-**	-	(2.2)
Deferred tax credit	**(6.3)**	(7.0)	(13.4)
Adjustments in respect of previous periods	**1.3**	1.8	-
Total tax expense in income statement	**31.8**	34.9	61.5

The tax charge for the six month period ended 31 March 2014 is calculated using the expected effective annual tax rate in each country of operation and applying these rates to the results of each country for the first six months of the year. This also takes account of acquisitions made during the period (note 9).

7 Dividends and coupons payments

	6 months to 31 March 2014 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Coupon payments on perpetual capital securities			
7.0% Perpetual cumulative capital notes	**10.5**	-	11.4
7.9% Perpetual capital notes	**-**	9.9	15.1
Coupon payments made during the period	**10.5**	9.9	26.5
Ordinary dividends			
Declared and paid during the year			
Final dividend for 2013 – 10.0p (2012 - final dividend 7.1p)	**114.6**	82.2	82.2
Interim dividend for 2013 – 6.0p	**-**	-	68.6
	114.6	82.2	150.8
Total dividends and coupon payments paid during the period	**125.1**	92.1	177.3

The interim ordinary dividend of 6.75p per share will be paid on 19 June 2014 to qualifying shareholders on the register at 16 May 2014.

8 Earnings per share

The calculations of earnings per share are based on the following profits and numbers of shares.

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares.

Underlying earnings per share figures are calculated by adjusting the profit to exclude amortisation of intangible assets.

The purpose of providing the underlying earnings per share is to allow readers of the accounts to clearly consider trends without the impact of certain non-cash items.

	IAS 33			Underlying		
	6 months to 31 March 2014 £m	6 months to 31 March 2013 £m	Year to 30 September 2013 £m	**6 months to 31 March 2014 £m**	6 months to 31 March 2013 £m	Year to 30 September 2013 £m
Basic earnings per share						
Profit attributable to shareholders	**134.0**	153.3	328.2	**134.0**	153.3	328.2
Coupon payments in respect of perpetual capital securities (net of tax)	**(8.1)**	(7.6)	(18.8)	**(8.1)**	(7.6)	(18.8)
Profit for the financial period, attributable to ordinary shareholders	**125.9**	145.7	309.4	**125.9**	145.7	309.4
Amortisation of intangible assets, net of attributable taxation				**28.8**	29.4	57.2
Acquisition costs, net of attributable taxation				**14.3**	-	17.6
Underlying profit for the financial period				**169.0**	175.1	384.2
Weighted average number of shares (millions)	**1,145.9**	1,137.1	1,141.5	**1,145.9**	1,137.1	1,141.5
Basic earnings per share	**10.98p**	12.81p	27.10p	**14.75p**	15.40p	33.66p
Diluted earnings per share						
Profit for calculation of basic earnings per share, as above	**125.9**	145.7	309.4	**169.0**	175.1	384.2
Add: interest on 2014 convertible bonds, net of attributable taxation	**-**	3.2	3.2	**-**	3.2	3.2
Profit for calculation of diluted earnings per share	**125.9**	148.9	312.6	**169.0**	178.3	387.4

Weighted average number of shares (millions)						
For basic earnings per share	**1,145.9**	1,137.1	1,141.5	**1,145.9**	1,137.1	1,141.5
Dilutive effect of 2014 convertible bonds	**-**	12.5	6.2	**-**	12.5	6.2
Dilutive effect of LTIP awards	**-**	0.1	0.1	**-**	0.1	0.1
Dilutive effect of exercisable share options and deferred shares	**34.2**	48.1	46.7	**34.2**	48.1	46.7
	1,180.1	1,197.8	1,194.5	**1,180.1**	1,197.8	1,194.5
Diluted earnings per share	**10.67p**	12.43p	26.17p	**14.32p**	14.88p	32.43p

9 Acquisition

a. On 31 March 2014, the Group completed the purchase of Scottish Widows Investment Partnership Group Limited ("SWIP") and SWIP's related private equity businesses for a consideration of £581.3 million, satisfied by the issue of 125.85 million new Aberdeen shares to Lloyds Banking Group plc ("Lloyds") at a share price of 390.3p, plus a deferred top-up payment of £39.4 million payable at the end of the 12 month period following completion and an estimate of £50.7 million in respect of the earn-out on the investment solutions business.

The acquisition of SWIP adds scale to the business across a range of asset classes, strengthens investment capabilities and adds new distribution channels in addition to the strategic relationship with Lloyds.

The consideration will be satisfied by issuing 125.85 million shares, of which 108.5 million were issued on completion and the remaining 17.3 million shares will be issued on the earlier of (i) the first anniversary of completion and (ii) receipt by Lloyds of certain regulatory approvals and consents. The remaining 17.3 million shares have been recognised within equity as a deferred share issue. A further 5.95 million shares were issued on completion of the acquisition of SWIP's infrastructure fund management business on 1 May 2014 (note 17).

In accordance with the sale and purchase agreement, a deferred top-up payment of £39.4 million has been recognised as a deferred liability. The deferred top up is determined by the difference between the weighted average actual share price 5 days before acquisition date and a floor of 420p, the difference multiplied by the consideration shares. The Group is entitled, at its sole option, to settle this in cash or issue further shares up to one year from the date of acquisition.

As the acquisition completed on the 31 March 2014, SWIP did not contribute to the results of the Group. However, if the acquisition had occurred on 1 October 2013, we estimate that consolidated revenues would have been increased by £117 million, and consolidated profit before taxation for the period would have been increased by £48 million. In determining these amounts, we have assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on 1 October 2013. Acquisition-related costs of £15.3 million were incurred and have been included in exceptional costs.

In addition, there is a performance-related five year earn-out payment of up to £100 million in cash dependent on growth delivered by the investment solutions business through the strategic relationship with Lloyds.

The Group has agreed to pay a maximum additional £100 million to the selling shareholders over the next 5 years if the annual revenue for the Investment Solutions business exceeds a benchmark. The Group has included £50.7 million as contingent consideration related to the earn-out, which represents its fair value at acquisition date. This value is determined based on a probability weighted expected return analysis of cash flow assumptions and is relating to expected performance and growth of the Investment Solutions business over 5 years, discounted to a present value. The undiscounted fair values identified in this analysis range from £41.7 million to £100 million.

b. **Acquisition costs**

The following acquisition costs were incurred during the period in relation to the acquisition described above.

	6 months to 31 March 2014 £m	Year to 30 September 2013 £m
Redundancy and other severance costs	2.0	10.8
Transaction and deal costs	9.2	3.5
Lease termination costs	-	3.9
Other costs	4.1	1.0
	15.3	19.2

c. Acquisition costs in 2013 relate to the purchase of Artio Global Investors Inc., a US listed asset manager, and the acquisition 50.1% of SVG Managers, a fund of private equity specialist. There were no acquisition costs in the 6 months to 31 March 2013.

Independent valuation specialists were engaged to carry out a valuation of the acquired goodwill and intangible assets. The fair value adjustments have been measured provisionally pending completion of the independent valuation.

Goodwill is mainly attributable to the skills of the workforce acquired and the synergies expected to be achieved from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

Fair value of the intangible assets has been valued based on the present value of expected cash flows of the underlying management contracts, with the exception of a provisional value of £7 million for internally developed software. The provisional fair value for the internally developed software has been provisionally determined based on management's best estimate of replacement cost.

The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Business acquired from Lloyds Banking Group plc		
	At date of acquisition £m	Provisional fair value adjustment £m	Provisional fair value £m
Intangible assets	-	378.4	378.4
Deferred tax assets	1.6	-	1.6
Trade & other receivables	145.1	-	145.1
Other investments	0.5	-	0.5
Cash	65.9	-	65.9
Trade & other payables	(152.6)	2.1	(150.5)
Current tax payable	(5.5)	-	(5.5)
Deferred tax liabilities	-	(75.7)	(75.7)
Total net assets acquired	55.0	304.8	359.8
Goodwill			221.5
			581.3
Discharged by:			
Equity			491.2
Deferred top-up payment (current liabilities)			39.4
Fair value of the earn-out payment (non-current liabilities)			50.7
Total consideration			**581.3**

Due to the proximity of the acquisition to the interim date the above balances reflect provisional values estimated by the Group at 31 March 2014. Adjustments to finalise the fair values of assets and liabilities acquired will be made in the Group consolidated financial statements for the year ended 30 September 2014.

If information obtained within one year of the acquisition dates about facts and circumstances that existed at acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at acquisition date, then the accounting for the acquisition will be revised.

10 Intangible assets

	31 March 2014 £m	31 March 2013 £m	30 September 2013 £m
Intangible assets	**686.3**	314.5	338.9
Goodwill	**909.2**	658.8	690.2
	1,595.5	973.3	1,029.1

11 Other investments

	31 March 2014 £m	31 March 2013 £m	30 September 2013 £m
Non-current assets			
Non-current investments	**56.0**	54.4	54.5
Current assets			
Seed capital investments	**98.2**	81.5	69.6
Investments of life and pensions subsidiary	**12.6**	10.0	12.2
Investments in funds to hedge deferred bonus liabilities	**25.9**	27.1	25.7
Listed equities – held for trading	**-**	-	0.3
	136.7	118.6	107.8

Seed capital investments comprise amounts invested in funds when the intention is to dispose of these as soon as practicably possible.

12 Assets backing investment contract liabilities

These balances represent unit linked business carried out by the Group's life assurance and pooled pensions subsidiary. The risks and rewards of these assets fall to the benefit of or are borne by the underlying policyholders. Therefore, the investment contract liabilities shown in the Group's balance sheet are equal and opposite in value to the assets held on behalf of the policyholders. The Group has no direct exposure to fluctuations in the value of assets which are held on behalf of policyholders, nor to fluctuations in the value of the assets arising from changes in market prices or credit default. The Group's exposure to these assets is limited to the revenue earned, which varies according to movements in the value of the assets.

13 Share capital

During the period a total of 621,500 ordinary shares of 10p each were issued in respect of the exercise of share options granted to employees under the 1994 Executive Share Option Scheme.

On 31 March 2014 108,537,009 ordinary shares of 10p each were issued in respect of the acquisition of Scottish Widows Investment Partnership Group Limited as described in note 9. The acquisition completed on 31 March 2014 and the allotment of the shares was approved by the Board. Due to timing, the shares were not admitted until after trading opened on 1 April 2014.

14 Perpetual capital securities

On 1 March 2013 the Company issued US$500 million perpetual cumulative capital notes. The securities bear interest on their principal amount at 7.0% per annum, payable quarterly in arrears on 1 March, 1 June, 1 September and 1 December in each year commencing on 1 June 2013. Net proceeds after deduction of issue expenses were £321.6 million.

15 Retirement benefits

The Group's principal form of pension provision is by way of three defined contribution schemes operated worldwide. The Group also operates a number of legacy defined benefit schemes. There are three schemes in the UK which are closed to new membership and to future service accrual, two schemes in Japan and schemes in Germany, Norway and Finland.

The actuarial valuations of the defined benefit pension schemes referred to above were updated to 30 September 2013 by the respective independent actuaries. Contributions to the schemes since 30 September 2013 have been set off against the scheme deficits.

	31 March 2014 £m	31 March 2013 £m	30 September 2013 £m
Surplus in scheme at end of period	**9.7**	12.9	9.7
Deficits in schemes at end of period	**(10.5)**	(26.7)	(14.1)
	(0.8)	(13.8)	(4.4)

16 Contingent liabilities

The Group may, from time to time, be subject to claims, actions or proceedings in the normal course of its business. When such circumstances arise, the Board considers the likelihood of a material outflow of economic resources and provides for its best estimate of costs where an outflow of economic resources is probable. While there can be no assurances, the directors believe, based on information currently available to them, that the likelihood of other material outflows is remote.

17 Post balance sheet events

On 1 May 2014, the Group completed the purchase of SWIP's infrastructure fund management business for a consideration of £26.4 million, satisfied by the issue of 5.95 million new Aberdeen shares to Lloyds at a price of 443.4p. The acquired business will add approximately £5 million of net assets to the combined business.

Due to the timing of this transaction, any adjustments to the fair values of assets and liabilities will be finalised during the second half of the financial year and disclosed in in the Group consolidated financial statements for the year ended 30 September 2014. There will be certain intangible assets included in the provisional goodwill value of £21.4 million that cannot be individually separated and reliably measured until completion of the valuation by independent valuation specialists.

Responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.
- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board

Scott E Massie
Secretary

2 May 2014

Independent review report to Aberdeen Asset Management PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2014 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Catherine Burnet
for and on behalf of KPMG Audit Plc

Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

2 May 2014

Appendix – Assets under management and new business flows

Assets under management at 31 March 2014

	30 September 2013 £bn	31 December 2013 £bn	31 March 2014 £bn
Equities	113.8	108.9	**107.9**
Fixed income	42.8	40.9	**98.1**
Aberdeen solutions	28.8	28.5	**94.5**
Property	15.0	15.3	**24.0**
	200.4	193.6	**324.5**
Segregated mandates	102.6	100.7	**131.8**
Pooled funds	97.8	92.9	**192.7**
	200.4	193.6	**324.5**

	Equities £bn	Fixed income £bn	Money market £bn	Aberdeen solutions £bn	Property £bn	Total £bn
AuM at 30 September 2013	113.8	36.8	6.0	28.8	15.0	200.4
Net new business flows for the period	(8.1)	(0.1)	(0.8)	(0.7)	0.9	(8.8)
Market appreciation & performance	1.9	0.9	-	0.5	-	3.3
Exchange movements	(3.2)	(0.8)	(0.1)	(0.2)	(0.2)	(4.5)
	104.4	36.8	5.1	28.4	15.7	190.4
Reclassification	-	5.1	(5.1)	-	-	-
AuM added by SWIP transaction	3.5	56.2	-	66.1	8.3	134.1
AuM at 31 March 2014	107.9	98.1	-	94.5	24.0	324.5

Overall new business flows for 6 months to 31 March 2014 – By mandate type

	3 months to 31 December 2013 £m	3 months to 31 March 2014 £m	6 months to 31 March 2014 £m
Gross inflows:			
Segregated mandates	2,684	3,897	6,581
Pooled funds	4,122	3,576	7,698
	6,806	7,473	14,279
Outflows:			
Segregated mandates	4,293	2,702	6,995
Pooled funds	6,969	9,078	16,047
	11,262	11,780	23,042
Net flows:			
Segregated mandates	(1,609)	1,195	(414)
Pooled funds	(2,847)	(5,502)	(8,349)
	(4,456)	(4,307)	(8,763)

Overall new business flows for 6 months to 31 March 2014 – By asset class

	3 months to 31 December 2013 £m	3 months to 31 March 2014 £m	6 months to 31 March 2014 £m
Gross inflows:			
Equities	3,519	2,742	6,261
Fixed income	2,180	3,139	5,319
Aberdeen solutions	303	945	1,248
Property	804	647	1,451
	6,806	7,473	14,279
Outflows:			
Equities	6,625	7,767	14,392
Fixed income	3,352	2,813	6,165
Aberdeen solutions	963	959	1,922
Property	322	241	563
	11,262	11,780	23,042
Net flows:			
Equities	(3,106)	(5,025)	(8,131)
Fixed income	(1,172)	326	(846)
Aberdeen solutions	(660)	(14)	(674)
Property	482	406	888
	(4,456)	(4,307)	(8,763)

New business flows for 6 months to 31 March 2014 – Equities

	3 months to 31 December 2013 £m	3 months to 31 March 2014 £m	6 months to 31 March 2014 £m
Gross inflows:			
Asia Pacific	1,519	1,391	2,910
Global emerging markets	1,193	822	2,015
Europe	26	30	56
Global & EAFE	669	393	1,062
UK	57	72	129
US	55	34	89
	3,519	2,742	6,261
Outflows:			
Asia Pacific	2,144	2,972	5,116
Global emerging markets	2,375	3,262	5,637
Europe	46	44	90
Global & EAFE	1,900	1,330	3,230
UK	46	56	102
US	114	103	217
	6,625	7,767	14,392
Net flows:			
Asia Pacific	(625)	(1,581)	(2,206)
Global emerging markets	(1,182)	(2,440)	(3,622)
Europe	(20)	(14)	(34)
Global & EAFE	(1,231)	(937)	(2,168)
UK	11	16	27
US	(59)	(69)	(128)
	(3,106)	(5,025)	(8,131)

New business flows for 6 Months to 31 March 2014 – Fixed income

	3 months to 31 December 2013 £m	3 months to 31 March 2014 £m	6 months to 31 March 2014 £m
Gross inflows:			
Asia Pacific	41	21	62
Australia	296	142	438
Convertibles	41	56	97
Emerging markets	518	1,198	1,716
Europe	39	36	75
Global	76	74	150
High yield	286	359	645
UK	49	324	373
US	85	99	184
Money market	749	830	1,579
	2,180	3,139	5,319
Outflows:			
Asia Pacific	112	85	197
Australia	448	366	814
Convertibles	43	19	62
Emerging markets	396	456	852
Europe	42	69	111
Global	205	35	240
High yield	206	267	473
UK	225	269	494
US	389	176	565
Money market	1,286	1,071	2,357
	3,352	2,813	6,165
Netflows:			
Asia Pacific	(71)	(64)	(135)
Australia	(152)	(224)	(376)
Convertibles	(2)	37	35
Emerging markets	122	742	864
Europe	(3)	(33)	(36)
Global	(129)	39	(90)
High yield	80	92	172
UK	(176)	55	(121)
US	(304)	(77)	(381)
Money market	(537)	(241)	(778)
	(1,172)	326	(846)

AuM at 31 March 2014

	Aberdeen £bn	SWIP £bn	Enlarged Group £bn
Active equities			
Asia Pacific	34.3	-	34.3
Emerging markets	32.8	-	32.8
Europe	1.1	-	1.1
Global & EAFE	30.5	2.2	32.7
UK	3.8	1.3	5.1
US	1.9	-	1.9
	104.4	**3.5**	**107.9**
Fixed income			
Asia	2.5	-	2.5
Australia	6.1	-	6.1
Convertibles	0.4	-	0.4
Emerging markets	6.9	-	6.9
Europe	2.2	0.2	2.4
Global	1.9	2.5	4.4
High yield	3.6	2.3	5.9
UK	5.9	33.7	39.6
US	7.3	-	7.3
Money market	5.1	17.5	22.6
	41.9	**56.2**	**98.1**
Aberdeen solutions			
Quantitative investments	7.4	54.6	62.0
Investment solutions	12.9	8.5	21.4
Alternatives	8.1	3.0	11.1
	28.4	**66.1**	**94.5**
Property	**15.7**	**8.3**	**24.0**
	190.4	**134.1**	**324.5**